

Transcript of that Portion of December 9, 2002 Meeting of the Local Boundary Commission Relating to the Unorganized Borough Review Required by Chapter 53, SLA 2002 (SB 359)

Originating from Anchorage (550 W. 7th Ave., Suite 1740)

List of those present in Anchorage and ten teleconference sites:

Anchorage

- Kevin Waring, LBC Chair;
- Ardith Lynch, LBC Vice-Chair;
- Allan Tesche, LBC member;
- Myrna Gardner, LBC member;
- Robert Harcharek, LBC member;
- Pat Poland, Director, DCBD;
- Dan Bockhorst, LBC staff;
- Gene Kane, LBC staff;
- Laura Walters, DCED Research Analyst;
- Steve Van Sant, State Assessor;
- Nancy Galstad, Solutions, Inc.;
- Jerry Birch, President Alaska Miners Association;

Juneau

- John Walsh, J.M. Walsh & Company;
- Sheila Peterson, Legislative Assistant;
- Lori Nottingham, Legislative Assistant;

- Kevin Ritchie, Executive Director, Alaska Municipal League;¹

Homer

- Mary Griswold, Homer resident;
- Jane Alberts, Legislative Assistant;

Valdez

- Dave Dengel, Valdez City Manager;

Pelican

- Kathie Wasserman, Mayor, City of Pelican & Solutions, Inc.;
- Ellen Ferguson;

Hawaii

- Representative Drew Scalzi;

Bethel

- Eric Johnson, Association of Village Council Presidents;

¹ Mr. Ritchie joined the teleconference after those in Juneau identified themselves on the record.

Fairbanks (#1)

- Senator Gary Wilken;

Fairbanks (#2)

- Pat Sweetsir, Tanana Chiefs Conference;
- Mike Smith, Tanana Chiefs Conference;
- Darlene Wright, Tanana Chiefs Conference;
- Lloyd Allen, Tanana Chiefs Conference;

Craig

- Jon Bolling, Craig City Planning Director;
- Dennis Watson, Mayor, City of Craig;

Skagway

- Tim Bourcy, Mayor, City of Skagway.

1

2

3

Commissioner Waring: Good morning everyone. We will call this meeting of the Local Boundary Commission to order – December 9th, approximately 12:05. Mr. Bockhorst, will you please call the roll.

6

7

Mr. Bockhorst: Commissioner Waring.

8

9

Commissioner Waring: Here.

10

11

Mr. Bockhorst: Commissioner Lynch.

12

13

Commissioner Lynch: Here.

14

15

Mr. Bockhorst: Commissioner Gardner.

16

17

Commissioner Gardner: Here.

18

19

Mr. Bockhorst: Commissioner Harcharek.

20

21

Commissioner Harcharek: Here.

22

1 **Mr. Bockhorst:** Commissioner Tesche.

2

3 **Commissioner Tesche:** Here.

4

5 **Commissioner Waring:** All five Commissioners are present. And we have a
6 quorum and can proceed to do business.

7

8 We have a proposed agenda circulated. Do any Commissioners have
9 suggestions for amendment to that agenda? (pause) Hearing none, we will
10 proceed on that agenda.

11

12 Let me stop for a moment for the record and identify everyone who is present at
13 the Anchorage teleconference site. And then I will rotate through the other
14 teleconference sites and ask for the record who is present at those
15 teleconference sites to please identify themselves for the record.

16

17 Here at the Anchorage teleconference site, in addition to the Commissioners,
18 there is Dan Bockhorst, staff to the Commission, and Gene Kane, staff to the
19 Commission; Pat Poland, Director of the Business and Community Development
20 Division; Steve Van Sant, State Assessor; Nancy Galstad, and (pause wherein
21 Laura Walters identifies herself) Laura Walters, hi Laura.

22

23 If I may go through the other sites connected by teleconference. First in Juneau
24 at the State Capitol site.

25

26 **Sheila Peterson:** Kevin, there is John Walsh, Lori Nottingham, and myself,
27 Sheila Peterson.

28

29 **Commissioner Waring:** Thank you Sheila. At the Homer site.

30

1 **Mary Griswold:** Hi, Mary Griswold is here and Jane Alberts.

2

3 **Commissioner Waring:** And Jane Alberts?

4

5 **Mary Griswold:** Yes.

6

7 **Commissioner Waring:** Yes, thank you. Is the Valdez site connected?

8

9 **Dave Dengel:** Yes we are. This is Dave Dengel, City Manager.

10

11 **Commissioner Waring:** Dave. Pelican?

12

13 **Kathie Wasserman:** This is Kathie Wasserman, Mayor and I have Ellen

14 Ferguson in the room.

15

16 **Commissioner Waring:** Thank you Kathie. Representative Scalzi is not now
17 connected but will be connected later when we come to a point on that agenda
18 that is of interest to him. The Bethel site?

19

20 **Eric Johnson:** This is Eric Johnson with AVCP.

21

22 **Commissioner Waring:** Thank you Eric. Fairbanks?

23

24 **Senator Wilken:** Good afternoon. This is Gary Wilken and I am in my office in
25 my food distribution (indiscernible).

26

27 **Commissioner Waring:** And is Pat Sweetsir also connected?

28

29 **Pat Sweetsir:** Tanana Chiefs, with us we have Pat Sweetsir, Deputy
30 Administrative Officer; Mike Smith, Subsistence Director; Darlene Wright,

1 Director of Community and Natural Resources; and Lloyd Allen with Planning
2 and Development.

3

4 **Commissioner Waring:** Thank you. Craig?

5

6 **Jon Bolling:** Yes, this is City Planner Jon Bolling. Also in the room is Mayor
7 Dennis Watson.

8

9 **Commissioner Waring:** Thank you. Skagway?

10

11 **Tim Bourcy:** Tim Bourcy.

12

13 **Commissioner Waring:** Thank you Mayor Bourcy.

14

15 We have got a pretty packed agenda. The first item on the agenda is a
16 discussion of (beep on teleconference) various issues related to Senate Bill 359.
17 Let me interrupt myself, did another site just connect?

18

19 **Senator Wilken:** Mr. Chairman, this is Gary Wilken. I introduced myself then
20 promptly hung up, so I'm back.

21

22 **Commissioner Waring:** Welcome back. The first matter on our agenda and I
23 expect it is of greatest interest to most of those who are connected by
24 teleconference is a variety of topics the Commission will consider in regard to
25 Senate Bill 359 or Chapter 53, State Laws of Alaska of the last legislative
26 session.

27

28 What I would propose to do, with the agreement of the Commission, is dedicate
29 the opening part of our discussion simply to a presentation by staff of the
30 information they have compiled for us as background. Some preliminary

1 discussion by the Commission to assess of what we make of (indiscernible) with
2 regard to our main purpose, and that is to make the "tier two division" of the
3 prospective areas to be reviewed for their – as to whether they meet the
4 standards for borough – to make a judgement of that. But after our discussion
5 and before we would go ahead to make any decision of that sort, allow or invite
6 any of those who are at the teleconference sites to address – having had the
7 benefit of the staff's presentation on the Commission's discussion – I think that
8 my thought is that would be more productive than simply at the outset inviting
9 people to participate not having heard, not having any benefit of Commission
10 discussion. Is that agreeable?

11
12 Senator Wilken is under a time constraint, I believe he needs to depart his office
13 approximately 1:15. Senator, if it would agreeable I would suggest that if we are
14 still talking, to stop at approximately one o'clock and give you an opportunity, if
15 you would wish, to make any remarks you would wish. You have a particular
16 interest in this legislation and I would not like to leave you without an opportunity
17 to comment, if you would wish to. Would that fit with your schedule Senator?

18
19 **Senator Wilken:** That's fine. I won't need to interrupt or slow you down. I need
20 to leave about 1:20 and Sheila is on line to help and to make notes. Thank you
21 for that opportunity. If I have something worthwhile, I'll jump, other than that, go
22 full speed ahead, and I won't slow you down.

23
24 **Commissioner Waring:** Thank you Senator.

25
26 (Speaking to an individual who entered the site in Anchorage) For the record,
27 could you please identify yourself?

28
29 **Jerry Birch:** I'm Jerry Birch.

1 **Commissioner Waring:** Thank you Mr. Birch. We have had Jerry Birch also
2 join us here at the Anchorage teleconference site.

3

4 Well, let us get on directly then to Item IV on our agenda, which is an opportunity
5 for comments by members of the Local Boundary Commission. Are there any
6 members who have comments at this point?

7

8 Seeing none. Let me go on to Item V. That is an opportunity for members of the
9 public who are connected to the hearing to comment on a matter that is not
10 subsequently on the agenda. Do any members of the public wish comment on a
11 matter that is not on the agenda? I'll pause for few seconds. (pause) Hearing
12 none, I assume there are no comments forthcoming and we'll move directly onto
13 Item VI.

14

15 And this is the Commission's consideration of Senate Bill 359 and related
16 matters. Let me recap briefly.

17

18 To this point the Commission has adopted a draft study plan that is guiding staff
19 in their preparation of the report that the Commission was directed by the last
20 Legislature to prepare and submit to the Legislature in mid-February. The
21 Legislature directed the Commission to review conditions of the unorganized
22 borough and report back to the Legislature any areas that, in the Commission's
23 judgement, meet the standards for incorporation that now exist in law and
24 Commission's regulations.

25

26 We directed staff first to review all of the areas in the unorganized borough
27 tentatively using the existing model borough boundaries. And to assess, first
28 whether, or simply compile information for the Commission that would reflect on
29 the economic viability or fiscal viability of prospective boroughs in the

1 unorganized area. We did not ask staff to make recommendations to us. We
2 reserved that task for our own decision.

3
4 Under Mr. Bockhorst's direction, staff has compiled a very substantial amount of
5 economic data and other data. I would like to stop and briefly, for the benefit of
6 the audience as well as the Commission, to ask Mr. Bockhorst if he would
7 summarize the information that we have here in our packet, that the Commission
8 had to review in advance of today's meeting. Mr. Bockhorst.

9
10 **Dan Bockhorst:** Thank you Mr. Chairman. This material, first of all, has been
11 made available on the web site to all the participating teleconference sites. And
12 to others that are interested in it.

13
14 As you indicated in your comments, the Department, at the urging of the
15 Commission, has identified specific economic factors for the unorganized areas
16 of Alaska based on three different regional boundaries.

17
18 The first is the census areas. There are eleven census areas in the unorganized
19 borough. The second is based on model borough boundaries, and the third is
20 based on regional educational attendance boundaries.

21
22 There is information in the packet summarizing – as you indicated Mr. Chairman
23 – there is a lot of financial and economic data. There are three sheets that I
24 would draw to your particular attention, as I have done in e-mail communications
25 with the Commission and e-mail communications with the public concerning this
26 meeting, and that is what are referred to the “composite ranking of boroughs”,
27 first of all “boroughs and census areas,” the “composite ranking of boroughs and
28 model boroughs,” and the “composite ranking of boroughs and regional
29 educational attendance areas.”

1 Those composite rankings summarize the steps of ranking of each of the areas I
2 identified that is census areas, model boundaries, REAAs, and shows their
3 respective rank for the particular economic factor under consideration. At the
4 end, it assigns a composite score by simply tabulating the sum of its ranking for
5 each particular factor based on -- it always ranks the strength of the economic
6 factor as the highest. So in other words, the higher the personal income the
7 higher the ranking, the lower the unemployment and the lower percentage of
8 poverty, the higher the ranking.

9
10 So with that Mr. Chairman, those three sheets, I think, best summarize the
11 Department's review. I would specifically, as I have indicated to you Mr.
12 Chairman and others, Laura Walters, our research analyst based in our office,
13 she is the one to be credited with most of the work on that.

14
15 **Commissioner Waring:** Thank you Mr. Bockhorst. Thank you for compiling
16 and let me thank Ms. Walters particularly for compiling an enormous amount of
17 information and distilling it down into those three composite sheets, distilling it
18 down in a summary fashion that I think is perhaps going to be workable for us.

19
20 Let me ask, I also spoke with you about perhaps providing some information on
21 oil and gas property, tax assessable in the unorganized area along the pipeline
22 corridor. Do we have any information of that sort that we can share with
23 Commission too?

24
25 **Dan Bockhorst:** Mr. Chairman, at your request I invited the State Assessor,
26 asked him if he would be in position to provide that information. He has gathered
27 that information. He is here to day to discuss it with you.

28
29 **Commissioner Waring:** Thank you Mr. Bockhorst.

30

1 Steve, Mr. Van Sant, is there a handout or did you just want to . . . ?

2

3 **Steve Van Sant:** Unfortunately, there is not Mr. Chairman, I did this work . . .

4

5 **Commissioner Waring:** . . . I think you were asked Friday, so this is excusable.

6

7 **Steve Van Sant:** . . . And basically let me just summarize it by saying that the
8 areas that we're looking at on the Copper River, the Upper Tanana, Yukon Flats,
9 and the Yukon-Koyukuk. For the next couple of years, we saw an increase in the
10 values from our 2001 value of four percent. So, I can give you the numbers, but
11 basically, they went up four percent. The reason for that is that the State
12 Assessment Review Board in 2001 increased the value of the pipeline four
13 percent. As I understand it, there is an agreement with Alyeska and all the taxing
14 boroughs that this value will stay in place for three years. So, the value in those
15 areas, has gone up four percent, will remain there until after this agreement
16 expires in 2003. Then I expect it to decrease – probably about five percent.

17

18 **Commissioner Waring:** Are there specific numbers for the assessed value – oil
19 and gas property tax assessables – that you could give us for those four areas?
20 Let me just explain, this is one factor that is not reflected in any of the tabular
21 data, that is prospective property tax potential yield – property tax yield – to
22 boroughs in those areas – were there boroughs with property taxes – so I
23 thought this, too, would be information that would help us get a fuller picture of
24 the tax resources of those areas. Please go ahead Steve.

25

26 **Steve Van Sant:** In the Copper River Basin, the value would be \$437,105,800;
27 the Upper Tanana would be \$294,571,000; the Yukon Flats would be
28 \$380,092,000; and the Yukon-Koyukuk would be \$323,078,000. . .

29

30 **Commissioner Waring:** \$323(078,000)?

1

2 **Steve Van Sant:** \$323,078(000) – correct.

3

4 **Commissioner Waring:** Thank you.

5

6 **Commissioner Harcharek:** Mr. Chairman. Steve could you repeat them?

7

8 **Steve Van Sant:** Yes sir. \$437,105(800) in Copper River; Upper Tanana is
9 \$294,571(000). Yukon Flats is \$380 million. Yukon-Koyukuk is \$323 million.

10

11 **Commissioner Harcharek:** Thank you.

12

13 **Steve Van Sant:** You bet.

14

15 **Commissioner Waring:** For the benefit of the Commissioners, you've all got in
16 front of you, a current map of the organized boroughs and model unorganized
17 boroughs, and marked on that is the pipeline corridor, you see where that
18 pipeline corridor's route is, and where it lands in the different unorganized areas.
19 That those four are the four unorganized areas actually that are traversed by the
20 pipeline.

21

22 Dan, did you also want to speak some to the model borough boundaries draft
23 that we discussed and that you prepared that just briefly reviews the origin and
24 status of, in relation ... of the model borough boundaries, and their relationship to
25 REAAs – if you could just briefly.

26

27 **Dan Bockhorst:** Thank you Mr. Chairman. Given the nature of the
28 Commission's review in terms of this "tier one process," I thought it was important
29 for the Commission to have an up-to-date understanding and discussion about
30 the nature of the model borough boundaries background – of how the

1 Commission arrived at model borough boundaries in the early 1990s. And the
2 relationship between model borough boundaries and long-established REAA
3 boundaries, the nature of REAA boundaries, and also some discussion of recent
4 questions that have been raised by organizations like the Alaska Municipal
5 League, Southeast Conference, and the City of Skagway regarding the validity of
6 model borough boundaries. So those issues are addressed in that draft that's
7 dated December fifth, and this again, was a component of the materials that are
8 posted on the web, that have been brought to the particular attention persons
9 and organizations that have expressed interest in this matter.

10
11 **Commissioner Waring:** Thank you for the information of Commission and all of
12 these, I would, for those of you that know both the Southeast Conference, which
13 is a regional group in southeast, and the Municipal League, in its recent annual
14 meeting did pass resolutions, essentially questioning the continuing validity of the
15 model borough boundaries and asking that they be revisited by the legislature
16 and the Commission to see if they are perhaps in need of some amendment.

17
18 Well, we might as well get down to the daunting task of seeing if we can make
19 some progress on what I hope we will be able to settle at the end of this session
20 of our meeting. And that is some direction from the Commission to staff as to
21 which areas in the unorganized borough area we wish to forward to this tier two
22 or second stage of the study. Again, our purpose in screening out some was
23 simply in knowing how little time and little resources the Commission has to
24 narrow down as quickly possible those that are plausible candidates and defer
25 any further consideration. There is no point proving that areas that will not
26 qualify don't qualify in 23 different ways. One is enough.

27
28 This economic or fiscal feasibility, viability, threshold seem to be the one for
29 which there was the most ready data, which we might best base first cut.
30 Agreeing to continue studying any given area does not, of course, at this point

1 mean that we will make a positive recommendation for that area. Just that we
2 will continue to test it against all of the other standards to see if it indeed does,
3 how well it satisfies those standards. Nor does it mean that we are committed at
4 this stage to the exact boroughs that represented currently in the model borough
5 boundaries. But that we are simply going to include them and continue to study
6 both that issue in the regard the area, and its viability in relation to the other
7 standards.

8

9 I have a procedure to suggest to the Commission, given the difficulty of
10 absorbing all of this information and applying it, what I did over the weekend was
11 simply compose a table that listed the 23 model borough boundary areas. We
12 did tentatively agree at our last meeting – or two meetings ago, and confirmed at
13 our last meeting – that those areas that included both existing boroughs and
14 within it the model borough boundary additional unorganized area, were for the
15 moment, off the table. We were not going to consider the issue, I believe, of
16 annexing unorganized areas to existing boroughs. That we would focus
17 exclusively on areas where there are no borough governments at present and
18 assess them for purposes of the Senate bill.

19

20 Let me pass out a table that, what I have done, and this, let me emphasize, is
21 simply something to focus our discussion and to shoot at. I have grouped all the
22 model borough areas in one of three areas. First, areas that are combined
23 existing borough and some remnant part. If we don't have enough copies maybe
24 Gene could make some additional.

25

26 I broke the 23 model boroughs into three subgroups. One, I call the
27 "unorganized remnants", these five include Fairbanks North Star Borough,
28 Juneau Borough, Ketchikan Gateway Borough, Denali Borough, and Upper Lynn
29 Canal. All of these unorganized remnants include both some unorganized area

1 and existing borough. Again, these were the areas that tentatively we had
2 decided to put aside for the moment.

3
4 The other two groupings were those in a rough judgement – after reviewing all
5 this economic data, some preliminary sense of what the information Steve would
6 provide us today would be, my own familiarity with the areas, some information
7 about the location of existing home rule and first class cities in those areas – I
8 just made a rough cut into those areas which seem to be plausible candidates,
9 some that seem not particularly plausible. Obviously, what ranking individuals
10 among the Commissioners might reach, can well be different. Where they
11 (indiscernible) might well be different. And I am not urging this, so much as
12 trying to provide a framework that will help us, I hope, decide fairly efficiently on
13 some that we might agree are not candidates, some that we might agree are
14 candidates, resolve the differences and provide staff direction.

15
16 So, let me ask if something like this process is – if Commissioners feel this is a
17 constructive voice to go on it? Commissioner Tesche.

18
19 **Commissioner Tesche:** Yes. If I understand what you've done, your analysis,
20 your proposal, is based on model borough boundaries.

21
22 **Commissioner Waring:** For this purpose I have used the model borough
23 boundaries and again, not out of any final commitment to those, but simply we
24 need workable areas. And those are areas for which we have data compiled.

25
26 **Commissioner Tesche:** Can explain and justify why you did not use, for
27 instance the census areas as the so-called workable boundaries, or alternatively
28 the REAAs? It appears that you have ruled those out and that's an important first
29 step and it's probably correct, how did you do that, arrive at those conclusions?

30

1 **Commissioner Waring:** Well the census areas, the configuration of the census
2 areas, simply does not match up well with the – match up perfectly I should say
3 – with the model boroughs, especially in southeast and with the REAAs.

4

5 **Commissioner Tesche:** There'd simply be no demonstrable relation between
6 those census areas and communities as we would know them.

7

8 **Commissioner Waring:** There is, but an imperfect one. Similarly, there is a
9 fairly close relationship, and this is outlined in that report that Dan circulated to
10 us. Many, I think eight of the model borough boundaries are coterminous with
11 REAAs. Several, one I think, encompasses two of them -- a couple of the
12 REAAs are split, and that is shown on the table here. I have tried to show – take
13 the composite rating from the table that ranks the model borough boundaries
14 units – and how they rank in the composite column according to those areas
15 economic data, that's this column here.

16

17 **Commissioner Tesche:** So, when you put together your proposal – these with
18 three different groupings – it's really sort of a composite then of the composite
19 ranking of boroughs and REAAs in one of the first sheets and as well the model
20 borough boundaries in the second sheet.

21

22 **Commissioner Waring:** That's correct – and also a couple other factors.

23

24 There are people who are attending probably very curious to know, which in this
25 cut – and again let me emphasize to all who are listening, this is before the
26 Commission for discussion – we will afford all listening opportunity to react, and I
27 suspect we will have divergences of opinion on the Commission itself.

28

29 Let me read how on the table I circulated to Commissioners here in the
30 Anchorage teleconference site, the model borough boundaries. Those that are

1 shown as – and this again, tentatively candidates for further consideration in the
2 Senate Bill 359 report are – Prince William Sound, Aleutians West plus Aleutians
3 Military which is essentially now a defunct REAA and model borough,
4 Wrangell/Petersburg, Upper Tanana and that includes two REAAs Delta Greely
5 and Alaska Gateway, Glacier Bay, the Copper River Basin, Prince of Wales, and
6 the Chatham model borough boundary which includes part of the Chatham
7 REAA and part of the Southeast Island REAA.

8
9 And those in this tentative listing that are proposed to be dropped from further
10 consideration at this time are the Dillingham-Nushagak-Togiak model borough;
11 Pribilof Islands, Annette Island, Bering Straits, Lower Kuskokwim, Yukon-
12 Koyukuk, Iditarod, Kuspuk, Yukon Flats, and Lower Yukon. The overriding factor
13 in this tentative division that I made were the composite rankings with some
14 qualification.

15
16 Those who have the table before can see, for example, that the Pribilof Islands
17 rated quite highly, both as a REAA and as a model borough boundary in the
18 composite ranking. However, the population and economy of the Pribilofs has
19 been in serious decline, its population now is approximately 650, less than 700
20 persons in the two islands. That seemed a population level, when economic
21 trends seemed perhaps to suggest they might, it might not make sense to include
22 them at this stage.

23
24 Annette Island – frankly I don't know enough about Annette, but I suspect that
25 there may be some particular federal issues there that, given the time we have,
26 we might simply not want to take on at this time. Depending on what the
27 Legislature might direct the Commission to do, there might be opportunity to
28 revisit that. But, although Annette Island ranks fairly well in the middle in terms of
29 status, that seemed to be a problematic aspect of (indiscernible) and those that
30 we could go forward on at this time.

1

2 Dillingham-Nushagak-Togiak is kind of at the border, the data makes it in, again,
3 near or little bit in the, above the middle. However, that area has got significant
4 economic issues at this time. It is also an area where we have in the past, and
5 we have had proposals submitted to consider combining that area with Bristol
6 Bay Borough. Again, a complication that perhaps we might want to consider, but
7 are not prepared to address given the time we have. With that in my mind – and
8 again, other Commissioners may evaluate these things differently – that in my
9 mind seemed a reason to simply defer including that in those that we would study
10 in the remaining two months that we have.

11

12 Let me stop and ask – please I feel like I've been monopolizing this – I really
13 would wish to give other Commission a chance . . . Commissioner Tesche.

14

15 **Commissioner Tesche:** Well, again, to back up. The ones you selected at
16 least for purposes of this argument, generally coincide with one or more existing
17 REAAs. Is that correct? Of the eight, how many of those equal or nearly equal
18 boundaries of one or more REAAs?

19

20 **Commissioner Waring:** They are footnoted. Two – effectively three – of them
21 do. Prince William Sound model borough is identical with the Chugach REAA,
22 although we need to keep in mind that Cordova and Valdez both operate their
23 own school system. They are not only within that REAA but they have
24 independent school districts. Similarly, Copper River Basin is coterminous with
25 the Copper River REAA. Effectively, Aleutians West and the former Adak
26 Aleutians Military Model Borough are coterminous with the Aleutian region, again
27 with Unalaska a home rule first class, I forget which, city that is within that but
28 providing their own school system. The other five are mixtures of either part of
29 an REAA or combined parts of more than one REAA. Upper Tanana, for

1 example, is the same two REAAs – the Delta Greely and Alaska Gateway.
2 Those two REAAs nest within the Upper Tanana model borough.

3

4 **Commissioner Tesche:** How do you address the criticism of the Municipal
5 League that the model borough boundaries themselves are out of date. I mean
6 your whole analysis is premised in large part on the model borough boundaries
7 and I think to a lesser extent the REAAs. How do you answer that criticism?

8

9 **Commissioner Waring:** Well, Dan's report did review of the relationship
10 between the REAAs and model boroughs. And we had some discussion in fact –
11 I myself, and perhaps all of us – have had some time knowing that there has
12 been growing criticism about the validity of the REAAs – pardon me of the model
13 borough boundaries – spent some time thinking on it and trying to second guess
14 an earlier Commission's decision. Frankly, with some tweaks, I guess I come
15 back to the conclusion that actually they are not bad. That without gainsaying
16 the claim that there have been, in some areas of the state, some negative
17 economic trends. And that may reflect on the viability – the fiscal viability or
18 economic viability of any given prospective borough – I don't think it alters the
19 criteria on which the boundaries are made. It just has to do with the economic
20 integrity and transportation factors, natural factors, socio-economic factors, that
21 the boundaries may be the same – essentially the same – but that the timing at
22 which they might qualify or have the capacity to form borough, might be changed.
23 And an important thing that came to my mind in this review was, while model
24 borough boundaries have second guessed – and they are very close, they are
25 identical in many cases of REAAs, or composites of them, or very similar to
26 them, that is with a few tweaks – we haven't had great complaints about the
27 validity of the REAA boundaries. . . .

28

29 **Commissioner Tesche:** That is exactly my point, because we certainly agree
30 that there's some connection between the identification of model borough

1 boundaries and the REAAs, whether one or more were substantial parts. Your
2 analysis may be on solid footing, particularly if you haven't had that kind of
3 criticism directed at the REAAs.

4
5 **Commissioner Waring:** I think I would concur with that. Southeast is so
6 complex – it is in terms of settling is fairly dense, a lot of history, a variety of
7 potential of regional arrangements that there is wisdom, perhaps, in taking a
8 close look at the arrangements in southeast in particular and maybe in other
9 areas. The Commission itself has in its regs, of course – in applying its
10 standards – the opportunity to depart from model borough boundaries. We have,
11 where we felt for one reason or another were not valid for particular petition we
12 were considering. So, I guess my feeling – my thought – would that in some
13 areas, or in certain instances, there might be reason to tweak, there might be
14 reason for some significant changes. For what we have to do right now, this is
15 the best grouping, and we can remain open for the rest of this study and
16 particularly, I think, if we narrow this down to a limited number, we will get helpful
17 information from those who might be affected. That will assist us to reconsider. I
18 don't see any practical alternative available to us, other than to redesign some
19 complete other set.

20
21 **Commissioner Tesche:** Well, based on the information you provided and
22 available by staff, it looks like your analysis is on good footing, so I concur.

23
24 **Commissioner Gardner:** Mr. Chairman?

25
26 **Commissioner Waring:** Commissioner Gardner.

27
28 **Commissioner Gardner:** Thank you. I appreciate what you have over the
29 weekend. I'm wondering, I'm needing clarification. My understanding of the
30 Senate bill and what our objective was is to review the unorganized borough.

1 Now, I'm hearing that we're, you're proposing that we analyze a select few of
2 them and move forward. And I think that, I don't believe that's fair and equitable.
3 I think our job is to analyze the unorganized boroughs with respect to the
4 standards and with respect to the model borough boundary. And I don't want as
5 a Commissioner, one of the communities or one of the (indiscernible) saying
6 "why them and not us" or vice versa or "how come us and not them?"

7
8 I think that we put ourselves in a situation where we're becoming political and not
9 just falling within our task and our scope. I understand there is a timeline, but I
10 also think that we should just stick to what we initially directed DCED. Dan has
11 done an excellent job on ranking and we've had ample time this discussion, but
12 we could be utilizing the time to discuss the areas that he has ranked out and
13 he's addressed and I would like to hear his recommendations and what his
14 findings are with respect to all of the unorganized boroughs. Thank you.

15
16 **Commissioner Waring:** Would somebody else care to ...? Well, let me. What
17 the legislation does is to direct us to report back to the legislature on all areas in
18 the unorganized that meet, in the Commission's judgement, meet the standards
19 in law for incorporating. There are 15 to 18 – it depends on the circumstances of
20 an individual area – standards that apply in each case to a petition. To do all of
21 that for all of the unorganized area is, I think – the Commission felt – was beyond
22 our capability in the time we have. Now, an area that fails to meet any one of the
23 standards, would fail to satisfy the conditions for incorporation. Since it was, this
24 economic status, fiscal status was the one for which we could most quickly get
25 information, we asked staff go get that information. And that if, on inspecting that
26 information and discussing it, we concluded that there were some areas that did
27 not meet that viability standard, they would not be areas we would report to the
28 report legislature as satisfying the standards. And instead of going through and
29 proving that there are 2, 3, 4, 5, – 10 standards that they didn't meet, we would
30 say decisively that at this time don't satisfy the fiscal standard and, there is no

1 need to spend more time on them. We will screen them out and look more
2 intensely at the ones that remain, and perhaps screen some of them out too, if
3 they fail to meet the remaining standards.

4
5 **Commissioner Gardner:** With respect to that, then the ones that are “not now
6 candidates”, do not meet one of the 18?

7
8 **Commissioner Waring:** Pardon me? That’s what we’re here to decided yes.
9 That given how they compare with existing boroughs and their financial
10 capabilities and economic status, and given our shared judgement that the
11 question is, “where do we wish, the five of us wish to draw up a line?” For the
12 time being, decide that – between now and February 19th, when our report is to
13 go forward – we will not include them in the report. We will look at the ones we
14 give a green light too – not a final green light, call it an orange light – we would
15 (indiscernible) look at those in the remaining time and based on further
16 information about all of the other standards – at a later point – and after we have
17 some opportunity to hear from the public, make the final decision on which we
18 would send to the legislature the areas we do think meet the standards.

19
20 Commissioner Harcharek.

21
22 **Commissioner Harcharek:** Since we received these papers from Dan, about a
23 month or so ago, I have been playing with them, in a similar fashion that you did.
24 But instead of – I was in the process of exclusion, not a process of inclusion.
25 And just about all the ten candidates not now considered, I found major problems
26 with considering them. The bottom line is because the remnants for various
27 reasons. I didn’t quite get it as defined as for the possible one, but the way I read
28 the legislation – orders, marching orders in the legislature – was that we were to
29 try, to attempt to identify, a few, if they are there then, candidates for
30 incorporation. So, I think you’ve done a commendable job. And I think as we go

1 through the top list of candidates, we are going weed some of them out also, for
2 various reasons. But the main factors I looked at, the economics of the area, per
3 capita income, average household income, not the median household income, as
4 well as feasibility of being – connections between the communities.

5

6 **Commissioner Waring:** Well, this is what I would hope each one of us has
7 done. And I'm not surprised that we get to different conclusions, there isn't a
8 right answer so much as a collective answer that we will have to reach today.
9 Other comments by other Commissioners?

10

11 **Commissioner Lynch:** Well, I just want to say that I agree with the process you
12 have outlined here. I think it is important that we, at some point early – relatively
13 early in this process – draw the line and exclude areas that clearly don't have the
14 economic resources. Because our resources are limited to complete this study
15 and the time that's available. I don't have any qualm with the eight candidates
16 that you have picked out. I share Mr. Harcharek's comment that might be a little
17 over inclusive, but that's where I think is a good place to be right now. We need
18 to – I would rather have more in that group right now then and weed them, than
19 looking backward two months from now and say "geez, I wish we had included a
20 few more."

21

22 **Commissioner Waring:** We can have further discussion at this point, or if it is
23 the preference of the Commission we can simply turn on the mike and invite
24 comment from those who are out there, with bated breath or a head of steam,
25 and hear from them. Commissioner Tesche.

26

27 **Commissioner Tesche:** Perhaps it would be most helpful if, when people make
28 comments on this – and I guess Commissioners and the public – take pot shots
29 at those that are on the tentative list for inclusion. If people see any of the eight
30 that clearly don't belong there, in their view, I'd be interested hear that argument.

1 But also the “not now candidates” as well. I comfortable based on the
2 explanation with this. I would like to hear it if somebody sees something in the
3 “not now” that should be moved to the other list. I think we are in agreement on
4 the unorganized remnants, that those are ruled out. At least at this stage, we
5 probably have two good groups that we can take shots at individually, unless
6 there are others that should be considered – I don’t know if there are.

7

8 **Commissioner Waring:** I guess that is exactly what I’d hope we would get from
9 our audience. I expect we will get more shots at the top group than suggestions
10 to elevate some of the second group. But, let us hear them.

11

12 We will take a moment to pause to change the tape here. And then I will re-read
13 the list of names and go through, in turn, give to each of the teleconference sites
14 that have called in, who wants to speak to the Commission on this – their
15 chance. Time out

16

17 **Commissioner Waring:** We are back on tape. Dan, is there one map in the information
18 that people may have gotten off of the web site that they can refer to, that they can go to
19 look for the model borough boundary, model borough boundaries? It’s useful to give
20 them the names, but I think it would be doubly useful if they could relate it to the maps.

21

22 **Dan Bockhorst:** Model borough boundaries information is provided on the web
23 site.

24

25 **Commissioner Waring:** Is it on any document that they might have. . .

26

27 **Dan Bockhorst:** No.

28

1 **Commissioner Waring:** Ok. Well then, I am sorry if you don't have a map
2 handy, but let me give the names of eight model boroughs that – again, let me
3 emphasis, that our, on this working list perhaps might be included, subject to
4 comments we hear, subject to Commission discussion thereafter – that might be
5 included for continuing study. Those are the Prince William Sound Model
6 Borough, the Aleutians West and Aleutians Military Borough – Model Borough –
7 the Wrangell/Petersburg Model Borough, the Upper Tanana Model Borough, the
8 Glacier Bay Model Borough, the Copper River Basin, Prince of Wales, and
9 Chatham model boroughs.

10
11 Those that on this working list are listed as not now candidates for at least for
12 study in this report are the Dillingham-Nushagak-Togiak model borough, Pribilof
13 Islands Model Borough, Annette Island, Bering Straits, Lower Kuskokwim,
14 Yukon-Koyukuk, Iditarod, Kuspuk, Yukon Flats, and Lower Yukon.

15
16 Let me then begin with the teleconference sites. I will first give Senator Wilken
17 an opportunity to comment if he would wish, and anyone else that is there at his
18 site. Senator.

19
20 **Senator Wilken:** Thank you Mr. Chairman. I don't have specific comments. I
21 just appreciate the direction and work you've done to focus it. This issue, as we
22 all know, should be driven by facts and not a lot of politics. And that's been the
23 problem in the past. I appreciate you getting the facts out there and letting us
24 talk about that so. With that, I'll be quiet and listen to the discussion as it moves
25 on. Thank you for putting together a very readable way in prioritizing it to get us
26 started.

27
28 **Commissioner Waring:** Thank you Senator Wilken. Is there anyone else at
29 your site there that would wish to comment.

1

2 **Senator Wilken:** No, I'm by myself in my office.

3

4 **Commissioner Waring:** Thank you. Then we will go to the Juneau site, where I
5 think Sheila Peterson, Lori Nottingham, and John Walsh are. Sheila, perhaps
6 you could begin if you had anything to say and orchestrate anybody else's
7 comments, from that site.

8

9 **Sheila Peterson:** Thank you very much Kevin. I believe that John has a
10 question he would like to ask.

11

12 **John Walsh:** Commissioner, can you go over the Aleutians West and the
13 Aleutians Military? Are you recommending those be advanced separately or are
14 you suggesting they be joined?

15

16 **Commissioner Waring:** Thank you Mr. Walsh. Let me recount what I
17 understand – with Mr. Bockhorst looking over our shoulder – the Aleutian Military
18 fully comprised Adak and the military base there. It was a separate REAA. Also,
19 separate model borough. Subsequently, that REAA was disbanded when Adak –
20 the Adak base – was decommissioned. Adak, itself, I believe is now part of and
21 is served by the Aleutian West REAA – the Aleutian Region REAA and, for
22 practical purposes is no longer a separate, free standing model borough. So the
23 proposal is, Mr. Walsh, that those two simply be combined into effectively one
24 model borough. It includes both of them, the Aleutians West and former
25 Aleutians Military REAA at Adak. Is that clear?

26

27 **John Walsh:** Yes sir. Thank you.

28

29 **Commissioner Waring:** Any further comment from that site?

30

1 **Sheila Peterson:** No, thanks for the opportunity.

2

3 **Commissioner Waring:** Thank you Sheila. Then we will move to Homer site.

4 Ms. Alberts, did you or anyone else there wish to comment on this part of

5 Commission's business today?

6

7 **Jane Alberts:** No thank you.

8

9 **Commissioner Waring:** Mr. Dengel did you in Valdez or anyone else there wish
10 to comment?

11

12 **Dave Dengel:** Thanks. I think – I guess the only comment is, the purpose of
13 today's meeting is not for us comment on whether to be part of a borough or not
14 a borough – I mean what?

15

16 **Commissioner Waring:** The decision the Commission is going to make is to
17 proceed with a select group of areas, presumably areas that have been identified
18 as model boroughs. If you have any information you wanted to offer the
19 Commission about the configuration of that model borough that might affect
20 Valdez or anything about this undertaking altogether that would be useful grist for
21 the Commission to hear.

22

23 **Dave Dengel:** We in Valdez have been following for quite some time. We
24 haven't been, and we still are not supportive of forming a Prince William Sound
25 borough. I don't believe the economics are there to do it. And with the recent
26 redistricting, you know, Prince William Sound is made up of two or three House
27 districts not a single district like it had been in the past. So I think, like Senator
28 Wilken – I think the Commission needs to look at the facts and not let politics
29 drive this. Particularly as to things are funded – both Cordova and Valdez fund

1 their own school districts. Of course, the Chugach REAA is funded by the State,
2 but I think if you start divvying up the pipeline corridor, that's less money that is
3 available to the State to pay for some of these services. The other thing is that
4 like Mr. Van Sant pointed out, we do have an agreement with the pipeline owners
5 now that the value of the pipeline will stay flat until – or through – 2004 and then
6 we will have to renegotiate that value. Like he, we are anticipating anywhere
7 from a 5 to 10% per year drop in the value of the pipeline. Now, hopefully, the
8 legislature will take some action establish a floor on the value of TAPS. But until
9 that happens, the value of TAPS could go to zero and still have oil flowing
10 through the pipeline. So, that's our concern in Valdez. Not only for forming a
11 borough, a Prince William Sound borough, but even just for the City of Valdez.
12 That's what we continue to monitor that and at times have to fight with the State
13 and the producer or the TAPS owners on what the value of that pipeline should
14 be, just so we continue to provide the services that we do here in Valdez that the
15 State doesn't provide for us, like Education, police protection, and on and on. So
16 I guess – I just would like to caution the Commission when they start excluding
17 and including people, that I guess I would say that maybe Valdez – Prince
18 William Sound should be excluded as well until pipeline value get straightened
19 out.

20
21 **Commissioner Waring:** Thank you Mr. Dengel. Did any Commissioners have
22 any questions they would like to address to Mr. Dengel? Thank you Mr. Dengel.
23 Did anyone else there wish to comment?

24
25 **Dave Dengel:** No I'm the only one here.

26
27 **Commissioner Waring:** Thank you. Then we will move to the Pelican site.
28 Mayor Wasserman?

29

1 **Mayor Wasserman:** Thank you. I had a question. In looking at the list of the
2 areas that have been put forth, what would be the timeline or the order of doing
3 things, for instance in an area like Petersburg/Wrangell which their – sort of their
4 – bent has been to form separate boroughs in some of the discussions, it had
5 through out the state – what would be the opportunity for them to make those
6 things known, because they are being lumped into one area for study? Do they
7 present that to you before the end of this period in February? Or do they wait
8 and then present it to the legislature or how do they go about that?

9

10 **Commissioner Waring:** Well, I would certainly urge them to provide that
11 information to the Commission. The Commission may nor may not concur in
12 what their preference would be but we certainly see – I think we'd see – no
13 reason not to forward that information, that background information to the
14 legislature if it is a consideration, and was significant local consideration. I think
15 the report that we would send forward would – were say Wrangell/Petersburg to
16 be one of the areas that the Commission judged, at some level satisfied the
17 standards, if there were no additional information – where the Commission
18 should provide that to the legislature.

19

20 **Mayor Wasserman:** Ok. And the second question I have is just sort of a
21 mechanical one. Looking at the web page, it's difficult to discern, on the model
22 borough boundaries for the Glacier Bay area, does that stretch down and go
23 around through Kake? Or no? Can you tell from your maps there?

24

25 **Commissioner Waring:** I think Kake is in the Chatham REAA and also the
26 Chatham model borough. It is not in the Glacier Bay.

27

28 **Mayor Wasserman:** OK.

29

30 **Commissioner Waring:** Not in the Glacier Bay Model Borough.

1

2 **Mayor Wasserman:** It's hard to tell from the map that I have here, it's very small
3 and it's hard to tell where Glacier Bay stops. Ok, thank you very much.

4

5 **Commissioner Waring:** Any further or comments at the Pelican site?

6

7 **Mayor Wasserman:** No that fine. Thank you.

8

9 **Commissioner Waring:** Thank you. Mr. Johnson in Bethel?

10

11 **Eric Johnson:** Yes, this is Eric Johnson with the Association of Village Council
12 Presidents. I just wanted to say AVCP agrees entirely that the Lower Kuskokwim
13 Model Borough, the Kuspuk Model Borough, and the Lower Yukon Model
14 Borough would not be economically viable as boroughs and should not be
15 considered further.

16

17 **Commissioner Waring:** Thank you Mr. Johnson. Then we will move on to the
18 Fairbanks site at Tanana Chiefs Conference. Mr. Sweetsir?

19

20 **Pat Sweetsir:** Yes, one moment please.

21

22 **Commissioner Waring:** Surely.

23

24 **Pat Sweetsir:** Just a procedural question. Prior to the final report being
25 submitted to the legislature, will there be a public comment period?

26

27 **Commissioner Waring:** There certainly will, and we will at a later point in our
28 meeting today, be discussing at least in general, what kind of local meetings or
29 hearing process the Commission will have in course of reviewing and before we
30 make – finally approve a report to be forwarded to the Legislature. So, yes there

1 will. As we progress, all of the materials will be posted on the web site as staff or
2 Commission do develop materials on this report – a review – a draft report – will
3 posted, we will have public comment on that – I hope some local hearings and I
4 hope that answers your question.

5

6 **Pat Sweetsir:** For clarification on my part, you'll have excuse me, when is the
7 report anticipated to go to the legislature?

8

9 **Commissioner Waring:** According to the law, it needs to be delivered to the
10 legislature February 19th of 2003.

11

12 **Pat Sweetsir:** Thank you very much.

13

14 **Commissioner Waring:** At Craig, Mr. Bolling.

15

16 **Jon Bolling:** Mr. Chairman thank you. I was wondering if you would be willing
17 to, I guess elaborate a little bit on the threshold, I guess the economic threshold
18 that you consider when looking at what areas to, the board will consider
19 recommending for tier two status. For example, I'm looking at the composite
20 ranking of economic factors by boroughs and model boroughs that was prepared
21 by your staff and placed on the web site. The Pribilof Island model boroughs,
22 Prince Wales model borough, Dillingham area model borough, and the Glacier
23 Bay model borough all rank fairly close together. A couple of those you are
24 suggesting be included in the tier two review, a couple of those you're suggesting
25 they are not. As I said on this document, they rank fairly close together with their
26 composite score. So could you, if you're able to, detail a little more about what
27 your thoughts were about the distinctions between those?

28

29 **Commissioner Waring:** I would be glad to, and again emphasize these are my
30 thoughts, not the Commissions thoughts certainly at this point. Let me deal with

1 it by exclusion rather than inclusion. The three that are quite close to say Prince
2 of Wales or Glacier Bay model boroughs, that were not included were the
3 Dillingham-Nushagak-Togiak model borough, Pribilof Islands, and Annette
4 Island. Pribilof Islands, in my judgement, and yet to be confirmed by other
5 Commissioners, the economic trends in that area and population trends, it is an
6 area that since the original model borough boundaries were thrown up a decade
7 some ago, it has lost population, its economy is not – has not – fared as well. Its
8 population now is below 700 persons, our standards for boroughs requires,
9 subject to a good reason why not, a thousand residents. And it seemed to me
10 that probably for a variety of reasons the Commission might conclude Pribilofs
11 did not satisfy, so my suggestion would be to drop them at this time.

12
13 Dillingham-Nushagak-Togiak is an area has, is a large area with many
14 communities, some substantial, with substantial economies, some without. It is
15 an area that right now undergoing economic hardship. It is also an area that is
16 complicated by an issue of its relationship to the existing Bristol Bay Borough.
17 There have been suggestions in the past originating in that area that a Dillingham
18 region borough, perhaps ought to include the Bristol Bay Borough as well. That
19 just seemed like a complication that the Commission wasn't well equipped to
20 deal with in the scope of this report. That is why I suggested that the area not be
21 included. Annette Island, again, ranked 9th in the composite ranking of model
22 borough, but it looks, I think, and I'm not quite as informed as I wish I were, I
23 think there may be questions of the special relationship with the federal
24 government of Annette Island which is a reservation as well as an REAA.
25 Tentatively, although I might change my mind if there were other information,
26 tentatively I thought that perhaps with the time we have got, this is not one where
27 we would were apt to clearly get to a conclusion. So that's the reason, why Jon,
28 those three were not included. But others that ranked about the same level with
29 then Prince of Wales which ranked 6th in the composite rating of model boroughs

1 and Glacier which ranked 8th were included. And again, that is strictly my
2 opinion. Is there more I can tell you?

3

4 **Jon Bolling:** No, I think that is a good summary, thank you.

5

6 **Commissioner Waring:** Anyone else at your site Jon that wish to comment?

7

8 **Jon Bolling:** No others.

9

10 **Commissioner Waring:** Thank you. Then Mayor Bourcy in Skagway?

11

12 **Mayor Bourcy:** Thank you Mr. Waring. A couple of questions for you. In the
13 eight groupings that you have suggested here, have these folks been notified at
14 this point?

15

16 **Commissioner Waring:** We are sitting down today to consider this. No, other
17 than, I think staff taking a – painstakingly trying to notify everyone who's
18 indicated an interest in supplying them all the information, this, these areas have
19 not been notified, but if the Commission does make some decision today, they
20 certainly will be informed of the Commission's decision, and what it implies for
21 status in this study. I think part of what this will enable us to do, once we make
22 this cut, is focus our outreach efforts on those areas, and particularly alert and
23 inform those residents that they do need to monitor and comment on the
24 Commission's work on this study if they have concerns for its implications. But
25 no, they have not been told.

26

27 **Mayor Bourcy:** Ok, now if you guys, if you guys go forward, and excuse me if I
28 don't understand, but if you guys move forward with this, this list of 8 areas, that
29 you recommend looking at, proposed boroughs. Is this the final list that you are
30 going to take to the legislature, or what's the process on that?

1

2 **Commissioner Waring:** No it is not. This is just a determination I think and
3 hearing my other, the other Commissioners, I'm not sure we agree yet that these
4 eight will be the eight we retain in the study for purposes of this report. But it
5 doesn't apply in any individual case that we will make a positive recommendation
6 to the legislature that they satisfy the standards. It's merely kind of preliminary
7 decision that on this information they seem to give promise of having the
8 economic and tax resources. Let's look at all the other standards and see if, how
9 well they meet those other standards. And in truth, I think there probably are
10 some standards that any of these areas would at best get a qualified positive
11 conclusion, simply because of technically some of these standards are not
12 feasible for the Commission laterally to apply in the absence of a petition. But
13 this is not a final list of areas that the Commission is going to forward to the
14 legislature. Those that we exclude will not be included. The ones that we would
15 include among the eight or however many, remain candidates.

16

17 **Mayor Bourcy:** I guess where I'm going with this, I'm trying to figure out, a way
18 we could move forward, kind of in a positive manner, and you know AML and
19 Southeast Conference adopted a resolution to the ask the legislature to review
20 the model borough boundaries. You guys, and I understand why you did it, are
21 looking at the existed, existing model borough boundaries as your point of
22 discussion. And what, I don't know how put this, but I think we still have the
23 disconnect between what the Commission doing and what the communities in
24 Alaska would probably like to see. I would, I think it would be imperative that the
25 Commission, I think, needs to go to these communities and have a discussion
26 with them. Because, you are just going to end up in a fight. You haven't been
27 successful, in creating boroughs in over a decade, and partially it's because of
28 the disconnect the State has with the communities. I don't know what the best
29 way to approach it is. But perhaps AML could help, I think you look at some of
30 these areas and they may be on the list of eight but if you go to these

1 communities, Wrangell/Petersburg would be an example, I don't think you are
2 going to find , you know, that it necessarily works with what they want to see
3 happen. I want to put that out there and let you guys kind of chew on that for a
4 little while. And the other comment I had is in regard to the composite ranking of
5 economic factors. I understand where these are coming from, and why you are
6 using them, but I think it does in some instances skew the realities of the ground,
7 depending on how they are being looked at. Thank you.

8

9 **Commissioner Waring:** Thank you for your comments Mayor Bourcy.

10

11 **Commissioner Tesche:** This is Allan Tesche. I guess a couple of questions
12 based on your comments. First with respect to the eight candidates for potential
13 inclusion in the second tier, do you see any there – because they're based at
14 least in substantial part on the model borough boundaries – are out of date, out
15 of whack, need to be reconsidered? I'm sensitive to AML's comment about the
16 continued validity of the model boundaries, but looking at that issue with respect
17 to the eight, do you see any there that have model borough boundaries that are
18 truly out of whack?

19

20 **Mayor Bourcy:** You know, I can't speak to a lot of these areas, I don't, you
21 know, haven't been to many of these communities, and I don't know the
22 dynamics within each of those communities. I don't think I am by any means an
23 expert or really give you any useful comments on those. My comment to you is
24 rather than coming up with this list of eight and then going to the community and
25 this list they could end up going legislature. And some of these areas may not
26 really see this coming and then everyone backs going to be up, everyone's going
27 in a mode of fighting it, when I think we could be better served by going out and
28 meeting with the communities, educating them and perhaps allowing some of
29 these boroughs to form naturally. You know, I think it would serve the state
30 better and I think it would serve the communities better. So I think that the

1 Commission needs to engage, you know, these areas, prior to kind of this solid
2 list of eight. I think, you go ok this is a preliminary list, it is, has a potential, but
3 you need to go to those areas and you need to talk to those people, and show
4 them the benefits of what a borough does for them.

5
6 **Commissioner Tesche:** Well Mayor, let me ask a question. At some point in
7 our process here, before recommendations are submitted to the legislature, does
8 this Commission or does our staff, do we intend in some fashion hold public
9 hearings or come into contact with any of these areas that we might conceivably
10 put on the list. I know there is a logistical issue and that is reducing the list to a
11 high probability or good probability, but do we have any articulated plans to have
12 that kind of contact, that the Mayor is suggesting, with communities that might
13 end up on the list?

14
15 **Commissioner Waring:** We do not have a specific plan at this point, we have
16 no idea what our itinerary might be. The bill that triggered this study did include
17 some funds to support Commission and staff travel. Presumably for information
18 gathering presumably too for local hearings in areas to allow a little more
19 effective face-to-face comment. I think our main constraint is going to be the
20 time of the Commission, the time to both disseminate draft information to affected
21 parties and allow them a chance digest it, and for the Commission to go and
22 have effective meetings and reflect on and make whatever revisions. The report
23 is due February 19th. My hope is that we can at least sketch out at a later point
24 today some notion, by the Commission of how many and where we might pick as
25 places.

26
27 **Commissioner Tesche:** I think we might be able to do that. I agree with you
28 Mr. Chairman that we have some very serious time constraints and whether we
29 can do much within those constraints, sort of depends on how many remain in
30 serious consideration. But I am sympathetic towards to what the Mayor is

1 saying. That is to the extent or degree that we can get information from
2 communities that are serious consideration, that is only going to make our report
3 stronger and more credible if we can say that it is also on the basis of some
4 contact with the community. It just depends on how much we can get done
5 within the time constraint.

6

7 **Mayor Bourcy:** Do you mind if I interject for a second? I understand that you
8 guys all have lives and jobs, and you are volunteering your time, I truly respect
9 that. May I make a recommendation that if this list perhaps goes to the
10 legislature, that perhaps there could a way we could fund for you, or members of
11 DCED, or somebody to go to these on the list, and say, obviously, this is our
12 preliminary list of recommendations, yet, we want to go to be able to go to the
13 communities and look at the reality on the ground. It is easy to sit in Skagway or
14 Anchorage and look at a map, and look at some figures on a sheet of paper, and
15 yeah that makes sense. But when you apply those on the ground, a lot of time
16 they don't. I think if you want to create and build some successes, we have to
17 engage these communities in discussion.

18

19 **Commissioner Waring:** Thank you for your comments Mayor Bourcy. Let me
20 hypothesize, this is Commissioner Waring, in a sense I think what this legislation
21 directs the Commission to do is almost what when I was naughty in chemistry
22 class, what we call dry labs, and that is, without the benefit of getting our hands
23 fully into all of the stuff to make some decisions at a distance. This process and
24 hypothetically we might simply flatly say that to the legislature, does not at all
25 model the process that the Commission would go through in case of an individual
26 petition, which requires a much more intensive look, provides a much greater
27 opportunity over a wide scope of issues, for the staff and Commission to meet
28 with local residents in the affected area, a number of meetings in a number of
29 communities if there are a large number that are affected. To feel our way
30 through a petition. In my view, what we will be able report to the legislature,

1 needs some strong qualifications. That this is in no way is the kind of process I
2 think the Commission would have gone through on route of considering a bona
3 fide incorporation petition. I'll wait for discussion at a later point with my fellow
4 Commissioners, but perhaps a recommendation that might run from we think
5 they are pretty good candidates, to all to we think it would be unwise to
6 peremptorily incorporate these without an opportunity for a more extended
7 process. But I think the spirit of Mayor Bourcy's comments are quite right, that
8 the Commission has a result of this process is not going to be well positioned as
9 it would be to make final judgement on a petition that we review for the typical
10 process. But I think the Commission, should ought reflect all of those
11 qualifications in any report we send forward.

12
13 **Senator Wilken:** I need to run to my next meeting. Let me say once again,
14 thank you for at least taking this first step to get us moving ahead. The purpose
15 of this whole effort that started last April, March or April, was to try and get an
16 organized system by which we could get all the data in one place. As the mayor
17 has said, then go to communities that may or may not be affected and say to
18 them, it looks to me like you should be helping support government like the rest
19 of Alaska. Why shouldn't you do that? At that time, the affected community or
20 area then starts the process of negotiating as to why the should or shouldn't.
21 That hasn't been done in the past with any sort of impact behind it. That's really
22 the purpose here, is to lay the facts out. This won't done in a vacuum, and I can
23 assure the Mayor it won't. It may not even the Commission that does that work,
24 maybe the legislature decides to do that and take those that are most likely, to
25 find out why they can't help as the rest of Alaska does. So, that's the next step in
26 the row. But we have to get these steps out of the way and narrow down and try
27 and find out if our standards are valid, and if they are valid and are met, do the
28 benefit not only the local people, with local control, but also benefit the people of
29 Alaska as a whole. And that's the process that you started today and it'll be
30 obvious that will be a great deal of local input, it's already started, and there will

1 be more. But that input, instead of being political and instead of being input that
2 is essentially running from the problem – and that’s the way I’ve seen it in the
3 past – it’ll be more inclusive and it will be able for people to say, “well that’s not
4 correct, but this is how we see it.” And through that process then we’ll have a
5 better organization of government in Alaska. And it isn’t going to happen in one
6 year, and it isn’t going to happen in two years. It’ll be a multiple year effort to try
7 to get us all to help pay our fair share. And that’s what’s behind this, and your
8 data has started us down that road. And with that speech, which is much longer
9 than I thought it would be, I appreciate your work, Sheila will stay online, and
10 thank you all for your work and I’ll say good-bye. Good day.

11
12 **Commissioner Waring:** Thank you Senator Wilken. Mayor Bourcy is there
13 anything . . . Commissioner Harcharek?

14
15 **Commissioner Harcharek:** I appreciated what Senator Wilken stated. But I
16 have two concerns, and one keeps haunting me, that’s whether our
17 recommendations are going be used for externally mandated borough formation
18 as opposed to coming from within, coming from the constituents. And the other
19 one is, some of the research I’ve reading, the legislature, acts – or can act, if they
20 so choose – as a borough assembly for the unorganized areas of the state – the
21 unorganized boroughs. And it is within their venue to tax as they see fit. So
22 they’re actually – from my reading, and I may be mistaken – they can tax the
23 unorganized boroughs – the unorganized borough – in its capacity as the
24 assembly for them. And I just think that maybe a lack of will on the part of the
25 legislature to that taxing. Basically, you’re mandating down to – we’re going to –
26 this may be mandated on the borough that is created. And I feel some difficulties
27 there.

28
29 **Commissioner Waring:** I guess my comment would be, whatever the
30 legislature has directed to do, we have authority to include any other

1 recommendations or qualifications. That is within our scope, in our statute, that
2 enabling statute, that says "Commission go do studies of local government
3 issues." And I don't think we need to confine ourselves strictly to the – you know
4 – the narrow direction given us by the law, but anything we would wish to add or
5 envelope with that report in is legitimate. And it's what the Commission should
6 do – to provide direction. So, I think we should be discussing those things as we
7 move towards February 19th. Mayor Bourcy, let me check and see if there was
8 anything further you wanted to add before moving on to those here in the
9 Anchorage teleconference site.

10
11 **Mayor Bourcy:** No, that was pretty much it. I appreciate you guys starting to
12 work on this.

13
14 **Commissioner Waring:** Thank you – thank you then taking the time to
15 contribute to our meeting.

16
17 Here at the Anchorage teleconference site, let me ask Ms. Galstad or Mr. Birch if
18 he wanted to address the Commission.

19
20 **Nancy Galstad:** (indiscernible) My name is Nancy Galstad. And as a former
21 Commissioner on this Commission, I would echo the sentiments that Mayor
22 Bourcy recommended to the Commission – to take into consideration. Also, with
23 Commissioner Harcharek's concern regarding the legislature, because I believe
24 in my heart, that is where they're headed. And that they do not want to face this
25 themselves. So, I would recommend if you go forward to the legislature, that you
26 add that as a strong concern in your footnotes or somewhere in your information
27 to the legislature.

28
29 **Commissioner Waring:** Thank you. Mr. Birch?

1 **Jerry Birch:** I have no comments. I was here to listen as a member of the
2 Alaska Miners Association. I just wanted to update them when I get back to as to
3 where you're headed.

4

5 **Commissioner Waring:** Ok. If you are not, you might want to speak Mr.
6 Bockhorst and get connected up. There is a web site and a e-mail source to
7 provide all the information to you if you would want to be on that list.

8

9 **Jerry Birch:** Ok. I was looking at that web site this morning – it was forwarded
10 to me . But I'm not (indiscernible).

11

12 **Commissioner Waring:** Ok. We can make that arrangement, I think. And
13 hereafter, you will just get all the routine information that is distributed to the
14 mailing list.

15

16 Ms. Galstad.

17

18 **Nancy Galstad:** Thank you sir. I had one more comment. The model borough
19 boundaries map that is on the Internet is not readable. You cannot look at that
20 map and discern anything from it. So, I would ask that if people who are
21 interested could be interested could be provided a larger copy of the map, that
22 would be helpful for those people in the communities that are – particularly the
23 ones being considered.

24

25 **Commissioner Waring:** Thank you.

26

27 Well, apparently we have heard from all of our listening public. And that brings it
28 back to the Commission and the question of what we action do we want to take
29 in providing direction to staff as to which areas to include – to carry forward into
30 tier two group and for further study.

1

2 Commissioner Tesche.

3

4 Before we move – let me outline a process, separate from any group that would
5 offer for us to follow. And that is simply this, by successful motions, perhaps we
6 can agree that one group – the unorganized remnants – will be put aside for the
7 purposes of this study. Second – and this is – we have got so many places here,
8 it's going to be – mechanically be different – let us just look at the full set of
9 remaining boroughs – or model boroughs rather – and allow any Commissioner
10 to consider them all “not candidates”. And any Commissioner who would wish to
11 reserve them as possible candidates, take them off and whatever remains is a
12 residue – we'll we have a motion on those that we unanimously agree would not
13 be considered. And conversely, we can do the same with those that all the
14 remaining we will agree, subject to disagreement by an individual Commissioner,
15 to approve all of those. And there will some residue left where we're clearly not
16 unanimous in opinion, and we'll just deal with those one by one. And if this
17 seems like as workable a way to handle so many places, with so many
18 Commissioners, I suggest we follow a process something like that. Is that
19 agreeable? Ok.

20

21 Commissioner Tesche.

22

23 **Commissioner Tesche:** At this stage, I agree that we should not consider the
24 unorganized remnants. And if you need an motion to exclude consideration, so
25 moved.

26

27 **Commissioner Lynch:** Second.

28

29 **Commissioner Waring:** Moved and seconded by Commissioner Lynch that the
30 Commission drop from further consideration the five unorganized remnants

1 model boroughs and those are the Fairbanks North Star Borough, Juneau
2 Borough, Ketchikan Gateway, Denali Borough, and Upper Lynn Canal. Any
3 discussion?

4
5 Hearing no discussion, we'll vote on the motion then to drop from further
6 consideration the five model boroughs that include unorganized remnants. A
7 vote for the motion is a vote to drop those. Mr. Bockhorst will you please call the
8 roll:

9
10 **Dan Bockhorst:** Commissioner Tesche.

11
12 **Commissioner Tesche:** Yes.

13
14 **Dan Bockhorst:** Commissioner Lynch.

15
16 **Commissioner Lynch:** Yes.

17
18 **Dan Bockhorst:** Commissioner Gardner.

19
20 **Commissioner Gardner:** Yes.

21
22 **Dan Bockhorst:** Commissioner Harcharek.

23
24 **Commissioner Harcharek:** Yes.

25
26 **Dan Bockhorst:** Commissioner Waring.

27
28 **Commissioner Waring:** Yes.

29

1 **Commissioner Waring:** The Commission then has decided not to consider
2 further in this study, the unorganized remnants.

3

4 **Commissioner Tesche:** Mr. Chairman. I would suggest perhaps to speed this
5 along, that we take the so called "not now candidates" as a block, and if anybody
6 wants to consider any individually, that the could pull any individual area from
7 block. But I would move to delete the entire list of "not now candidates" subject
8 to any that individual Commissioners might wish to pull and vote on separately.

9

10 **Commissioner Waring:** Fine. Let us ask if there are any Commissioners who
11 would wish to consider any of those that are listed on the "not now list" . . .

12

13 **Commissioner Tesche:** Individually . . .

14

15 **Commissioner Waring:** . . . wish to consider individually.

16

17 **Commissioner Waring:** Hearing none, Commissioner Tesche will make a
18 motion. And, presumably, we will be in unanimous agreement on that and can
19 move forward. Apparently, we have no – none who object to that. Please make
20 a motion.

21

22 **Commissioner Tesche:** Ok. Mr. Chairman, at this time, I'll move to delete from
23 consideration the so-called "not now candidates" with the understanding that if
24 any Commissioner wishes to pull individual areas for special consideration or
25 vote they could do that.

26

27 **Commissioner Harcharek:** Second.

28

29 **Commissioner Waring:** Moved by Commissioner Tesche, seconded by
30 Commissioner Harcharek, that the Commission drop from further consideration

1 the group of model boroughs listed under the “not now candidates,” and just for
2 the record, I will read them off. Those include, the Dillingham-Nushagak-Togiak
3 Model Borough, the Pribilof Islands, Annette Island, Bering Straits, Lower
4 Kuskokwim, Yukon-Koyukuk, Iditarod, Kuspuk, Yukon Flats, and Lower Yukon.
5 Is there any discussion of ...? Commissioner Tesche?

6

7 **Commissioner Tesche:** I have none that I wish to pull from that list. I think the
8 list is fairly well put together. And I’m trying to find one to pull just to give you a
9 hard time, but it looks like it’s a fairly good list. So, I’ll yield to any other
10 Commissioners.

11

12 **Commissioner Waring:** Is there any discussion of Commissioner Tesche’s
13 motion? Apparently not, we will vote on the motion then to drop from further
14 consideration that list of 10 model boroughs that are grouped together as the “not
15 now candidates.” A vote for the motion is a vote to drop those from further
16 consideration in this report. Mr. Bockhorst please call the roll:

17

18 **Dan Bockhorst:** Commissioner Tesche.

19

20 **Commissioner Tesche:** Yes.

21

22 **Dan Bockhorst:** Commissioner Harcharek.

23

24 **Commissioner Harcharek:** Yes.

25

26 **Dan Bockhorst:** Commissioner Lynch.

27

28 **Commissioner Lynch:** Yes.

29

30 **Dan Bockhorst:** Commissioner Gardner.

1

2 **Commissioner Gardner:** Yes.

3

4 **Dan Bockhorst:** Commissioner Waring.

5

6 **Commissioner Waring:** Yes.

7

8 **Commissioner Waring:** Those, then, are no longer part of our Senate Bill 359
9 study. And we come down to the eight that remain listed on this sheet as
10 candidates. Do – let me ask my parliamentarian, do we need a motion first or
11 can we just informally withdraw some of them the group that would be included? .

12

13 (recess to change tape)

14

15 **Commissioner Waring:** We are back on tape.

16

17 **Commissioner Lynch:** You should have a motion on the floor before we
18 discuss something. Now, somebody could move all eight, somebody could move
19 some portion of that, somebody could move one.

20

21 **Commissioner Waring:** And just by amendment, withdraw them?

22

23 **Commissioner Lynch:** (Answers affirmatively)

24

25 **Commissioner Waring:** OK

26

27 **Commissioner Tesche:** Mr. Chairman. I'll follow the same process, I'll move
28 the eight, subject to individual consideration of those that individual members
29 might pull.

30

1 **Commissioner Waring:** You have moved that we include in the ongoing study,
2 the remaining eight.

3

4 **Commissioner Tesche:** That's correct.

5

6 **Commissioner Lynch:** Second.

7

8 **Commissioner Waring:** Moved by Commissioner Tesche, seconded by
9 Commissioner Lynch that we include the eight model boroughs listed on the
10 sheet as candidates to the part of the continuing Senate Bill 359 study report.
11 Let me read again those particular model boroughs. They include Prince William
12 Sound, Aleutians West and Aleutians Military, Wrangell/Petersburg, Upper
13 Tanana, Glacier Bay, Copper River Basin, Prince of Wales, and Chatham model
14 boroughs. Do – is there discussion – or do any Commissioners wish to pull from
15 that list any individual of those candidates and we can amend them out?

16

17 Commissioner Lynch.

18

19 **Commissioner Lynch:** I don't want to pull anything. I am not sure at this point
20 that our final list is going to include all eight. But I think this is an excellent
21 starting point to begin. I would rather – as I said earlier – be looking at more and
22 narrow it down, than start with too small of a group. The one concern I have, that
23 I think we are going to address is that, of course, two of these have potential
24 pipeline income that really isn't reflected in the data, that we do need to address
25 somehow in the report.

26

27 **Commissioner Tesche:** Just so I have it a little more clearly in my head, at
28 some point in the next few minutes we're going to leave a certain number of
29 these eight, perhaps all eight, on the table. Perhaps, very briefly, could the chair
30 or Mr. Bockhorst outline what review then will be undertaken of those remaining

1 areas for purposes of sort of the final decision that the Commission will then be
2 asked to make?

3

4 **Commissioner Waring:** Very briefly – and Dan you may add – my assumption
5 is staff would then begin to gather the data and match these – for these areas –
6 and match them up against the remaining standards or the specific standards
7 that are set out as they apply to these areas.

8

9 I certainly don't expect the kind of report that the staff does typically for an
10 incorporation petition. But maybe some tabular (indiscernible) tabular check
11 back with the Commission when that data is compiled, and perhaps some
12 assessment by staff as to how – with the benefit of that additional information
13 and applying those additional standards – things seem to shake out. And leave
14 the Commission, maybe make another decision about perhaps dropping some
15 on that basis. What I would like to do – my thought is that – before we commit to
16 local hearings, we want to be sure we are dealing with the places we are most
17 likely . . .

18

19 **Commissioner Tesche:** . . . Understood, and I think we're not there yet.

20

21 **Commissioner Waring:** . . . our time and not . . .

22

23 **Commissioner Tesche:** I had one other question of staff. For the moment, we
24 have got eight that could be considered. Is that workload doable for you guys?
25 And still give the Commission a chance to make another one or two series of
26 decisions. I'm concerned about the burden on staff and the timing we are
27 facing.

28

29 **Dan Bockhorst:** Mr. Chairman. Certainly, I wish did we had more time and
30 more resources. One thing that I think has emphasized here today, and I would

1 just reiterate it, and that is, we are certainly not looking at the level review that
2 the staff normally conducts for borough feasibility studies or borough
3 incorporation proposals that come before the Commission.

4

5 Essentially, we have eight areas the Commission appears to be headed toward a
6 tier 2 review of and that is equal to the number of borough governments that
7 have been formed in Alaska voluntarily in 41 years. It has taken us a lot of time
8 to get to that point, and so, to answer your question, we will do the best job we
9 can, within the time we have. Echoing Senator Wilken's concerns and his
10 intention on how proceed, the best that I can offer to you is we'll get you the most
11 information we can at our disposal and within the timeframe that we have, but
12 certainly it would be ideal to have more time available.

13

14 **Commissioner Tesche:** So, it's not impossible?

15

16 **Dan Bockhorst:** No.

17

18 **Commissioner Tesche:** Good. And the other thing, question I wanted to ask of
19 staff, and I appreciate your willingness to undertake this work, under time
20 constraints. Are there any here in the group of eight, that you see, don't rise to a
21 50% level of probability that they would make a final cut? I am sort of putting you
22 in an awkward position of having to kind of second guess what the Commission
23 might do – but do you see any here that are best marginal or debatable?

24

25 **Dan Bockhorst:** I think the list – it seems to be reasonable. I concur with
26 Commissioner Lynch's remarks that it is better to be inclusive at this point, overly
27 inclusive perhaps, but no, I don't any on the list of eight that are clearly marginal.

28

29 **Commissioner Tesche:** Ok, Mr. Chair, based on that, I have none that I would
30 wish to pull.

1

2 **Commissioner Waring:** Commissioner Harcharek or Commissioner Gardner?

3

4 **Commissioner Gardner:** No

5

6 **Commissioner Harcharek:** I have one as marginal – and that being – that's
7 the Upper Tanana. I had some personal visits in that area. And the income level
8 of the communities, in the households, recently, they seem to be – the incomes
9 seem to be declining. But as I say it is marginal, and it may be what Mr.
10 Bockhorst will come up with will counter that – but it's the only one in that group.

11

12 **Commissioner Waring:** Commissioner Tesche?

13

14 **Commissioner Tesche:** I'll yield.

15

16 **Commissioner Waring:** I, myself, would not have included them – I did not,
17 when I made that – it was tentative in my mind – have the information on the
18 property tax (indiscernible) from the oil and gas property and – waiting to hear
19 that. That is the plus factor that does not show up. And to my mind, justified at
20 least to keeping them in for a little further in this game, and maybe we will refine
21 our decisions. I have got to say I am certainly open, as we progress, to refining
22 these and dropping them if we see good reason to. I don't, I don't – I would
23 support, just as we are now trying to narrow down, I would wish to narrow this
24 down further if we reasonably can. It is the most productive thing for us to do, it
25 is the most helpful thing for us to do for the Legislature. But we . . .

26

27 **Commissioner Harcharek:** I was going to say, we – does the next round
28 include taxable oil revenue, or infrastructure revenue?. That would be very
29 helpful.

30

1 **Commissioner Waring:** And helpful to relate that to population size
2 (indiscernible) and information of that sort.

3

4 **Pat Poland:** Commissioner. Can I just make a comment or suggestion ...

5

6 **Commissioner Waring:** Mr. Poland.

7

8 **Pat Poland:** ... for you to think about. And that is – is what just causes me just a
9 little bit of consternation – is – is looking at this list is, and, kind of knowing the
10 effects of the impacts on – first of all – we have talked about pipeline values
11 being a factor here, and we all – we know that there is a relationship between
12 State income and pipeline values. There's a trade off that goes on here. And it
13 seems like it would be worthwhile to look at that real quickly and it may – it may –
14 cause a different reaction on your part. And then the other thing that is, I guess,
15 just a little unsettling to me, I guess is as much philosophical as anything else,
16 but is, in those first three, you've got three major home rule/first class cities that
17 are very effective, independent school districts, not unlike many of the original
18 communities that were formed as mandatory boroughs back in the 60s. I guess
19 there is a question about what is, what is gained, what kind of movement forward
20 really occurs by including a large, mass of uninhabited territory around it with the
21 city. Again, I guess if I'm just thinking that if you looked at those two things first,
22 you might be able to, again, cull the list down yet further. You know, like you, I'm
23 concerned about Dan's workload and ability to do all of this in the next 30-40
24 days.

25

26 **Commissioner Waring:** If I may respond. In fact, I agree that those are issues.
27 The Commission, too, at an earlier time, I think had some preliminary discussion
28 about what's the gain out of any – you know – any recommendation we would
29 make, particularly where there are already – the burden of education is being
30 absorbed by existing city school districts. And I think perhaps we will discuss

1 that. What I come back to in my mind, and perhaps other Commissioners get to
2 a different place, is that the Legislature asked us to simply go look and report
3 back and that this prudent judgement about the best way to use the State
4 financial assets is a judgement for the Legislature to make, not for, perhaps the
5 Commission to make. It's certainly an important fact in any, in any use the
6 legislature would make of this or any priorities that they might set. But – and we
7 can provide that information – but they also asked us to just report back in a
8 relatively factual way on those areas that satisfy the standards. My thought
9 would be that's what we would do with whatever qualifications. I'm not sure if
10 other Commissioners want to comment on that as well.

11
12 Well, do we have any discussion of the motion? Commissioner Tesche.

13
14 **Commissioner Tesche:** Perhaps a question of the other Commissioners, in this
15 Upper Tanana area... Delta Greely, any impact of the possible expansion Fort
16 Greely and national missile defense efforts there in terms of its impact on the
17 viability of borough government in that area. Any thoughts on that? Or is that a
18 consideration?

19
20 **Commissioner Waring:** Most generally, I would think there would two positive
21 factors, and they're both prospective, and they are not in hand. One is – one is
22 that military infrastructure and activities, the second is Pogo Mine prospect,
23 which is in that area. Both of those might have very positive effect on the
24 economy, at least of the Delta Greely area and the Delta Junction general area,
25 as opposed to the more eastern Alaska Gateway REAA.

26
27 **Commissioner Tesche:** The population seems to be – you know – substantial
28 – the income is marginal currently, but with employment prospects up there, I
29 don't know, maybe it is going improve, at least looking at it prospectively.

30

1 **Commissioner Waring:** Commissioner Harcharek?

2

3 **Commissioner Harcharek:** I've visited the Delta Greely area in the past couple
4 months, and talked with school administrators as well as people on base. And
5 they do anticipate a rise in population. They do anticipate an increase in
6 enrolment in the schools. And this is (indiscernible) more from department
7 employees that are going to be imported into that area. That's why I have a
8 question is – at present, the financial situation is marginal. But I – and that's why
9 everybody's going to caution about it – I'm questioning it right now. But they
10 don't know when this impact is going to take place. They don't know if it's going
11 to happen at the beginning of 2003 or towards the end of 2003. So, I would – for
12 the time being – I would just keep it in there and see what materializes. I guess
13 about the time this report is supposed to go to the legislature, might be the time
14 that there will be substantial changes in population and growth in that area.

15

16 **Commissioner Tesche:** That answers my question. I appreciate that.

17

18 **Commissioner Waring:** Any further discussion? Because if there is none we
19 will proceed to vote on the motion.

20

21 The motion then – Commissioner Tesche's motion – is that, we approve for
22 inclusion in the – for retention in the study – the eight candidate boroughs,
23 model boroughs, I will not repeat them at this time. A vote for the motion is to
24 send those eight forward in the study. It is not a decision to recommend them or
25 forward them or to the legislature or to conclusively accept those borough –
26 model borough boundaries. It is simply to include them in the study. A vote yes
27 is a vote for Commissioner Tesche's motion. Mr. Bockhorst, please call the roll:

28

29 **Dan Bockhorst:** Commissioner Tesche.

30

1 **Commissioner Tesche:** Yes.

2

3 **Dan Bockhorst:** Commissioner Lynch.

4

5 **Commissioner Lynch:** Yes.

6

7 **Dan Bockhorst:** Commissioner Gardner.

8

9 **Commissioner Gardner:** Yes.

10

11 **Dan Bockhorst:** Commissioner Harcharek.

12

13 **Commissioner Harcharek:** Yes.

14

15 **Dan Bockhorst:** Commissioner Waring.

16

17 **Commissioner Waring:** Yes.

18

19 **Commissioner Waring:** Well – then do we need to provide you anything more
20 specific about that Dan?

21

22 **Dan Bockhorst:** No.

23

24 **Commissioner Waring:** I would like to come back to this matter of at least
25 sketching out some ideas – for Dan's benefit and ours – what do we expect in
26 way of public hearings, what can we hope for. I know we would hope for the
27 most, but probably going to be limits on all of our availability and the ability to
28 schedule something.

29

1 We have got Representative Scalzi, he is vacationing in Hawaii but is interested
2 in addressing one bill he has drafted for submittal for the upcoming legislature.
3 He is going to become available about 2:00. My suggestion is that we just take a
4 10-minute break and reserve for later this discussion about what kind of public
5 process we will have. And make the next item on our agenda the discussion of
6 – what is listed as item VII on the agenda.

7

8 **Commissioner Gardner:** Are we – we are going – Dan is going to notify all the
9 impacted communities that we are doing this?

10

11 **Commissioner Waring:** I expect so that all the appropriate entities in that area
12 – and that would include REAAs as well city governments, and whomever else
13 would be appropriate that may need to be paying attention. And we welcome
14 their attention and their comments. Well, let us take a recess until 2:00. I have
15 got 1:52.

16

17 End of discussion on SB 352.

18

19